



**STATE OF WISCONSIN**  
**Division of Hearings and Appeals**

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In the Matter of

Office of the Inspector General, Petitioner

vs.

██████████, Respondent

DECISION

Case #: FOF - 177403

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Pursuant to petition filed October 19, 2016, under Wis. Admin. Code §HA 3.03, and 7 C.F.R. § 273.16, to review a decision by the Office of the Inspector General to disqualify ██████████ from receiving FoodShare benefits (FS) one year, a hearing was held on Wednesday, November 30, 2016 at 10:00:00 ████████ at Milwaukee, Wisconsin.

The issue for determination is whether Respondent committed an Intentional Program Violation (IPV).

There appeared at that time the following persons:

**PARTIES IN INTEREST:**

Petitioner:

Office of the Inspector General  
Department of Health Services - OIG  
PO Box 309  
Madison, WI 53701  
By: ██████████

Respondent:

██████████  
██████████  
██████████

█

**ADMINISTRATIVE LAW JUDGE:**

David D. Fleming  
Division of Hearings and Appeals

**FINDINGS OF FACT**

1. Respondent (CARES # ██████████) is a resident of Milwaukee County who received FoodShare benefits in Milwaukee County during at least the period of March and April 2016.

2. On October 27, 2016, Petitioner prepared an Administrative Disqualification Hearing Notice. It alleges, in essence, that Respondent attempted to sell her FoodShare via Facebook on March 15, 2016, sold her FoodShare Quest card for cash on April 8, 2016 to rent a hotel room and let a non-household member (█████ the father or her child) use her FoodShare benefits during the period of April 19-26, 2016.
3. An April 8, 2016 Facebook post by Respondent indicates that she sold her FoodShare benefits. Two purchases were made with the card on April 9, 2016 and Respondent then reported it stolen on April 10, 2016. A new card was issued.
4. Respondent was incarcerated in ██████████ as of April 22, 2016 with a release date of September 21, 2016. During a period beginning April 19, 2016 Respondent's new FoodShare card was used in Wisconsin by ██████ the father of her child.
5. Respondent failed to appear for the scheduled November 30, 2016 Intentional Program Violation (IPV) hearing and did not provide any good cause for said failure to appear.

### DISCUSSION

An intentional program violation of the FoodShare program occurs when a recipient intentionally does the following:

1. makes a false or misleading statement, or misrepresents, conceals or withholds facts;  
or
2. commits any act that constitutes a violation of the Food Stamp Act, the Food Stamp Program Regulations, or any Wisconsin statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of FoodShare benefits or QUEST cards.

*FoodShare Wisconsin Handbook, § 3.14.1; see also 7 C.F.R. § 273.16(c) and Wis. Stat. §§ 946.92(2).*

An intentional program violation can be proven by a court order, a diversion agreement entered into with the local district attorney, a waiver of a right to a hearing, or an administrative disqualification hearing, *FoodShare Wisconsin Handbook, § 3.14.1*. The petitioner can disqualify only the individual found to have committed the intentional violation; it cannot disqualify the entire household. Those disqualified on grounds involving the improper transfer of FS benefits are ineligible to participate in the FoodShare program for one year for the first violation, two years for the second violation, and permanently for the third violation. Although other family members cannot be disqualified, their monthly allotments will be reduced unless they agree to make restitution within 30 days of the date that the FoodShare program mails a written demand letter. 7 C.F.R. § 273.16(b).

Also, 7 C.F.R. §273.16(e)(4) provides that the hearing shall proceed if a respondent cannot be located or fails to appear without good cause. Respondent did not appear or claim a good cause reason for not attending the hearing. Respondent did not call to provide a number where she could be reached for the hearing. Therefore, I must determine whether Respondent committed an IPV based solely on what the agency presented at hearing

In order for a petitioner to establish that a FoodShare recipient has committed an IPV, it has the burden to prove two separate elements by clear and convincing evidence. The recipient must have: 1) committed; and 2) intended to commit a program violation per 7 C.F.R. § 273.16(e)(6). In *Kuehn v. Kuehn*, 11 Wis.2d 15 (1959), the court held that:

Defined in terms of quantity of proof, reasonable certitude or reasonable certainty in ordinary civil cases may be attained by or be based on a mere or fair preponderance of the evidence. Such certainty need not necessarily exclude the probability that the contrary conclusion may be true. In fraud cases it has been stated the preponderance of the evidence should be clear and satisfactory to indicate or sustain a greater degree of certitude. Such degree of certitude has also been defined

as being produced by clear, satisfactory, and convincing evidence. Such evidence, however, need not eliminate a reasonable doubt that the alternative or opposite conclusion may be true. ...  
*Kuehn*, 11 Wis.2d at 26.

*Wisconsin Jury Instruction – Civil 205* is also instructive. It provides:

Clear, satisfactory and convincing evidence is evidence which when weighed against that opposed to it clearly has more convincing power. It is evidence which satisfies and convinces you that “yes” should be the answer because of its greater weight and clear convincing power. “Reasonable certainty” means that you are persuaded based upon a rational consideration of the evidence. Absolute certainty is not required, but a guess is not enough to meet the burden of proof. This burden of proof is known as the “middle burden.” The evidence required to meet this burden of proof must be more convincing than merely the greater weight of the credible evidence but may be less than beyond a reasonable doubt.

Further, the *McCormick* treatise states that “it has been persuasively suggested that [the clear and convincing evidence standard of proof] could be more simply and intelligibly translated to the jury if they were instructed that they must be persuaded that the truth of the contention is highly probable.” 2 *McCormick on Evidence* § 340 (John W. Strong gen. ed., 4<sup>th</sup> ed. 1992).

Thus, in order to find that an IPV was committed, the trier of fact must derive from the evidence a firm conviction as to the existence of each of the two elements even though there may be a reasonable doubt as to their existence.

In order to prove the second element, i.e., intention, there must be clear and convincing evidence that the FoodShare recipient intended to commit the IPV. The question of intent is generally one to be determined by the trier of fact. *State v. Lossman*, 118 Wis.2d 526 (1984). There is a general rule that a person is presumed to know and intend the probable and natural consequences of his or her own voluntary words or acts. *See, John F. Jelke Co. v. Beck*, 208 Wis. 650 (1932); 31A C.J.S. Evidence §131. Intention is a subjective state of mind to be determined upon all the facts. *Lecus v. American Mut. Ins. Co. of Boston*, 81 Wis.2d 183 (1977). Thus, there must be clear and convincing evidence that the FoodShare recipient knew that the act or omission was a violation of the FS Program but committed the violation anyway.

This case deals with an allegation of trafficking. Relevant here, under 7 CFR §271.2, trafficking means:

*Trafficking* means:

- (1) The buying, selling, stealing, or otherwise effecting an exchange of SNAP benefits issued and accessed via Electronic Benefit Transfer (EBT) cards, card numbers and personal identification numbers (PINs), or by manual voucher and signature, for cash or consideration other than eligible food, either directly, indirectly, in complicity or collusion with others, or acting alone;

...

- (6) Attempting to buy, sell, steal, or otherwise affect an exchange of SNAP benefits issued and accessed via Electronic Benefit Transfer (EBT) cards, card numbers and personal identification numbers (PINs), or by manual voucher and signatures, for cash or consideration other than eligible food, either directly, indirectly, in complicity or collusion with others, or acting alone.

This definition became effective November 19, 2013.<sup>1</sup> The previous definition of trafficking did not include attempted trafficking.

The Federal Registrar addressing the amendment to the trafficking definition indicates that “attempt” consist of the “intent to do an act, an overt action beyond mere preparation, and the failure to complete the act.”<sup>2</sup> This is consistent with the standards for establishing attempt promulgated by the Wisconsin legislature, the Wisconsin courts and the Federal courts. *See Wis. Stats. §939.32(3); State v. Henthorn*, 281 Wis.2d 526, 518 N.W.2d 544 (Wis. App. 1998) *restating holding by the Wisconsin Supreme Court in Hamiel v. State*, 92 Wis.2d 656, 666, 285 N.W.2d; *U.S. v. Resendiz-Ponce*, 549 U.S.102, 127 S.Ct. 782, 107 (2007); *The Seventh Circuit Court of Appeals*<sup>3</sup> in *U.S. v. Sanchez*, 615 F.3d 836, 843 and 844 (7<sup>th</sup> Cir. 2010).

Though it clear that [REDACTED] used Respondent’s Quest card after Respondent’s incarceration in [REDACTED] the record does not demonstrate that this was with Respondent’s permission thus I am not finding that a FoodShare intentional program violation occurred based on that. Nonetheless, there is certainly intent to traffic in FoodShare benefits as well as evidence of a completed sale based on the Facebook post of April 8, 2016. This is clear and convincing evidence that Respondent intentionally violated FoodShare program rules. As this violation was the first such violation committed by Respondent, Petitioner correctly seeks to disqualify Respondent from the FoodShare program for one year.

### **CONCLUSIONS OF LAW**

1. That Respondent violated, and intended to violate, the FoodShare program rule prohibiting trafficking in FoodShare benefits.
2. The violation specified in Conclusion of Law No. 1 is the first such violation committed by Respondent.

**NOW, THEREFORE**, it is

### **ORDERED**

That Petitioner’s determination is sustained, and that Petitioner may make a finding that Respondent committed a first IPV of the FoodShare program and may disqualify Respondent from the program for one year, effective the first month following the date of receipt of this decision.

### **REQUEST FOR A REHEARING ON GROUNDS OF GOOD CAUSE FOR FAILURE TO APPEAR**

In instances where the good cause for failure to appear is based upon a showing of non-receipt of the hearing notice, the respondent has 30 days after the date of the written notice of the hearing decision to claim good cause for failure to appear. *See 7 C.F.R. sec. 273.16(e)(4)*. Such a claim should be made in writing to the Division of Hearings and Appeals, P.O. Box 7875, Madison, WI 53707-7875.

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<sup>1</sup> <https://www.federalregister.gov/articles/2013/08/21/2013-20245/supplemental-nutrition-assistance-program-trafficking-controls-and-fraud-investigations>

<sup>2</sup> *See* <https://www.federalregister.gov/articles/2013/08/21/2013-20245/supplemental-nutrition-assistance-program-trafficking-controls-and-fraud-investigations#h-13>

<sup>3</sup> Wisconsin is in the 7<sup>th</sup> Federal Judicial Circuit and as such, holdings from the 7<sup>th</sup> Circuit Court of Appeals are binding.

### **APPEAL TO COURT**

You may also appeal this decision to Circuit Court in the county where you live. Appeals must be filed with the Court **and** served either personally or by certified mail on the Secretary of the Department of Health Services, 1 West Wilson Street, Room 651, Madison, WI 53703, **and** on those identified in this decision as “PARTIES IN INTEREST” **no more than 30 days after the date of this decision** or 30 days after a denial of a timely rehearing request (if you request one).

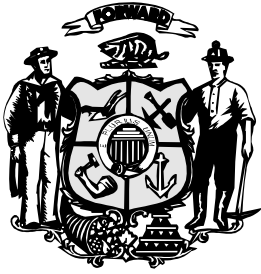
The process for Circuit Court Appeals may be found at Wis. Stat. §§ 227.52 and 227.53. A copy of the statutes may be found online or at your local library or courthouse.

Given under my hand at the City of Milwaukee,  
Wisconsin, this 3rd day of January, 2017

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\sDavid D. Fleming  
Administrative Law Judge  
Division of Hearings and Appeals

c: Office of the Inspector General - email  
Public Assistance Collection Unit - email  
Division of Health Care Access and Accountability - email  
[REDACTED] - email



## **State of Wisconsin\DIVISION OF HEARINGS AND APPEALS**

Brian Hayes, Administrator  
Suite 201  
5005 University Avenue  
Madison, WI 53705-5400

Telephone: (608) 266-3096  
FAX: (608) 264-9885  
email: [DHAMail@wisconsin.gov](mailto:DHAMail@wisconsin.gov)  
Internet: <http://dha.state.wi.us>

The preceding decision was sent to the following parties on January 3, 2017.

Office of the Inspector General  
Public Assistance Collection Unit  
Division of Health Care Access and Accountability  
[kevin.rinka@dhs.wisconsin.gov](mailto:kevin.rinka@dhs.wisconsin.gov)